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Expressing the sense of the Congress regarding negotiating, in the United States-Thailand Free Trade Agreement, access to the United States automobile industry.

IN THE SENATE OF THE UNITED STATES

FEBRUARY 23, 2004

Mr. LEVIN (for himself and Mr. VOINOVICH) submitted the following concurrent resolution; which was referred to the Committee on Finance

CONCURRENT RESOLUTION

Expressing the sense of the Congress regarding negotiating, in the United States-Thailand Free Trade Agreement, access to the United States automobile industry.

Whereas the United States Trade Representative recently announced an intention to negotiate a free trade agreement (FTA) with Thailand;

Whereas properly structured FTAs may have important benefits for the United States, and a bilateral free trade agreement program pursued under a coherent policy and strategy may play an important role in United States trade policy;

Whereas the global automobile market is subject to inherently multilateral problems that need to be addressed on a multilateral basis, including numerous, widespread, and

complex nontariff barriers maintained by major producing countries;

Whereas providing Thailand privileged access to critical segments of the United States automobile market would significantly erode United States leverage to negotiate reductions to global automobile market distortions in multilateral negotiations, because producers from third countries would be able to benefit from the privileged access of Thailand under the FTA;

Whereas Thailand is the second largest source of pick-up truck production in the world, with many major automobile manufacturers from outside of Thailand producing pick-up trucks there;

Whereas Thailand's Board of Investment has actively been recruiting automobile producers from outside of Thailand, including Japan, South Korea, and India, to produce automobiles in Thailand, and some of these producers have cited Thailand's privileged access to foreign markets through FTAs as a rationale for setting up production in Thailand;

Whereas many of these producers from outside of Thailand have moved their pick-up truck production out of their home countries and into Thailand in order to make Thailand their global pick-up truck production and export bases;

Whereas as a result of this activity by automobile producers from outside of Thailand, pick-up truck production in Thailand will soon approach 1,000,000 units annually, and could grow even larger;

Whereas given these facts, if Thailand were given privileged access to critical segments of the United States auto-

mobile market in an FTA, it could be used by third-country automobile producers as a backdoor into the United States market; however, Japan, South Korea, India, and other major producing countries would not be required to reduce their tariff and nontariff barriers to United States automobile producers, and in fact the tariff and nontariff barriers maintained by those countries would continue to distort global markets and restrict the access of United States exports to markets in those countries;

Whereas given that these third-country producers would already have privileged access to the United States market through the United States-Thailand FTA, their home countries would have less incentive to address the inherently multilateral problems in the global automobile market through negotiations on a multilateral basis; and

Whereas the United States automobile industry is a major driver of the United States economy—accounting annually for between 3 and 4 percent of the gross domestic product (GDP) of the United States, leading all United States industries in annual research and development spending, directly employing over 500,000 highly skilled and efficient workers in jobs that pay on average 60 percent higher than the average United States job, and supporting the jobs of over 7,000,000 other workers—and it has played a critical role in efforts to revive the United States economy: Now, therefore, be it

1 *Resolved by the Senate (the House of Representatives*
 2 *concurring)*, That it is the sense of the Congress that ne-
 3 gotiations on access to critical segments of the United
 4 States automobile market should not take place on a piece-
 5 meal basis, but only—

1 (1) as part of negotiations that include all
2 major automobile producing nations; and

3 (2) as part of comprehensive negotiations that
4 address both tariff and nontariff barriers specific to
5 the automobile industry, with progress on elimi-
6 nating tariff barriers explicitly linked to concrete
7 progress on eliminating nontariff barriers.

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